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China

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SUBJECT

Economic Information: Difficult Financial
Position of I. Y. Churin Company, Mukden

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SUPPLEMENT TO
REPORT NO.

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1. The lack of communications between Mukden and North China, or Mukden and other points from which goods might be obtained, has made the financial position of the I. Y. Churin /formerly transliterated Tachurin/ Company a precarious one. Little or no merchandise from China proper remains in either of the two Churin stores on Chungshan Road. All merchandise is bought from Chinese shops in the "Chinese city" section of Mukden and re-sold in the Churin stores at 15% above the prices in the Chinese shops. For the second week of January 1948 sales per day in the larger Churin store were between NEC \$900,000 and NEC \$2,000,000; on poor days sales were as low as NEC \$300,000.

Note: Exchange rate, 15 January 1948: NEC \$22,000 to U.S. \$1.00.)

2. Early in January 1948 it was decided that if communications to Tientsin could not be opened by February, it would be necessary to close the barbershop, the beauty parlor, and the larger store in the former Minaki building. At the same time the Churin Company requested a loan from the Dalbank but was refused. On 15 January a wire was sent to the USSR Embassy in Nanking by Torgpredstvo in Mukden describing the acute financial difficulties of the Churin Company and asking for instructions. A few days later a reply was received instructing the company to hold on as long as possible and to make every effort to maintain its present properties.

3. Key personnel of the Churin Company in Mukden are:

Polyakov, G. A.
Skurovski, Rostislav
Degtev, M. K.

Manager
Assistant Manager
Personnel Manager
(Mukden Note: Degtev reportedly receives ten times Polyakov's salary; is close associate of Almazov of Torgpredstvo, the leader of the Soviet Community; and is said to run the Churin Company.)

Other top personnel are:

Krupenin, V. P. Head of departments and manager of smaller store
Berdnik, Nikolai I. Manager of restaurant
Volkov (first name unknown) Manager of dairy farm

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Gensel, Vladimir G. Manager of garage
 Vink, Pyotr P. Manager of warehouse
 Predeyev (first name unknown) Head of Trade Committee
 Belyatskov, L. Member of Trade Committee
 Berkov (first name unknown) Head accountant

Note: [REDACTED] Sazanov (first name unknown), an engineer, is the chief purchasing agent for the company and takes charge of the company offices when Polyakov is absent.)

4. In November 1947 the salaries of the key personnel (listed above) averaged between NEC \$600,000 and NEC \$700,000 per month. Department heads received NEC \$200,000, a bare living wage; ordinary employees received NEC \$100,000, which forced them to such acts as stealing company coal and selling it for their own profit.

Note: Rate of exchange in November 1947 was about NEC \$15,000 to U.S. \$1.00.)

As of 20 January 1948 the average salesman in Churin's received NEC \$150,000 monthly; the watchmen received NEC \$80,000 monthly. Most of the employees are Russian emigres who are widely separated ideologically from the few Soviet employees and financially separated from the top personnel. These persons working under such conditions remain because there is no other employment for them in Mukden. They have petitioned the management for increased wages but have been refused.

5. The company discharged between 10 November 1947 and 1 December 1947 the following employees:

| | |
|--------------------|------------------------------------------------------|
| Kovalenko, G. | In charge of garage |
| Beloyev, V. | Chauffeur |
| Andreyev, A. | Chauffeur |
| Blochatenko, A. | Bakery employee |
| Libericz, A. | Watchman |
| Melnikov, Aleksei | Watchman |
| Martyanova, Nina | Salesgirl (now employed at French Consulate Mukden.) |
| Gavrilov, Viktor | Salesman |
| Sergievski, Eugeni | Employee of engineering department |

The following were discharged from the restaurant:

| | |
|----------------------|------------------------------------------------|
| Mogileva, Nina | Zabrodin, Stefan |
| Markarova, Valya | Zaplalina, N. |
| Rayevskaya, Anatolia | two Chinese waiters, four Chinese cooks, 25X1X |
| | two Chinese janitors |

6. On 11 February 1948 Skuropski helped company employees who had come from Harbin, to prepare a petition to the USSR Embassy that the Soviet Government assist them in returning to Harbin. The petition was signed by all former Harbin persons now employed at Churin's and was forwarded to Fedorenko, Charge d'Affaires in Nanking, on 1 February 1948.
7. Vladimir Drozdov, Correspondent for the North China News Agency heard about the petition and wrote a story to the effect that the employees had requested Fedorenko's assistance. Drozdov's story was to be published in the 6 February edition of the Shanghai China Press.

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Note: Following are excerpts from "the story" as it appeared in the 5 February edition of the Shanghai North China Daily News: "Mukden, Feb. 4 - North China News Agency: The fight between the Soviet Trade Union in Mukden and the Soviet Government-owned I. Y. Churin and Company, Ltd. was lost by the Union as the management refused to increase the wages of its employees. After failing to reach any agreement with the administration, the Churin staff decided to appeal to the Soviet Embassy in China. A petition was sent to Mr. Federenko, Charge d'Affaires now in charge of the Embassy. The Churin workers request immediate assistance from the Soviet Government in the form of bonuses or loans from the Soviet-owned Far Eastern Bank (Dalbank) which has a branch in Mukden

At present Churin operates a department store, a barber shop, dairy farm and a cafe-restaurant in Mukden. Other Churin enterprises such as brewery, tobacco factories, printing plant etc. were taken over by the Chinese authorities. Wages of the employees of the Churin Company are much below the minimum necessary to maintain a reasonable standard

Sixty percent of the one hundred fifty Churin employees, according to the families of the Trade Union members, are on the verge of starvation.....".)

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